

# The Chronicle

Banking, Insurance and Finance

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY



Vol. XXXX. No. 4

MONTREAL, JANUARY 30, 1920

Single Copy 10c  
Annual Subscription \$3.00

## THE GENERAL FINANCIAL SITUATION

A feature of local Stock Exchange trading which has developed considerable prominence during the last two or three weeks is offering of securities by British holders, who are taking advantage of the substantial premium on the Canadian dollar in Great Britain. Liquidation of Canadian securities by overseas investors is, of course, no new thing. In the latter years of the war, and since the armistice, very substantial amounts of bonds and other investments, originally placed in the London market, have found their way back into Canadian banks, and offerings in sterling denominations have now for several years been a familiar feature in the bond dealers' lists. Stocks have been more tardy than bonds in returning for a variety of reasons. The bonds in British hands, while eminently desirable high-grade investments, had little scope, in comparison with the stocks held for either appreciation or depreciation. Their latitude in those respects is bounded by the fluctuations in the rate of interest for long-time loans. On the other hand, British holdings of stocks included in large volume such standard securities as Montreal Power and Shawinigan—progressive corporations which have made great strides during recent years and have an assured future—and a variety of other stocks which, if not in the class of these two, had at least interesting prospects which warranted holding for higher prices, or did not make it desirable to act prematurely in cutting a loss.

That liquidation of these securities in heavy volume should take place at the present time is, obviously, not only a result of the handsome profit which can be secured as a consequence of uncontrolled exchange, but is also due to the fact that with the numerous individual and financial developments which are taking place in Great Britain, there are many opportunities at the present time for the profitable employment of capital, opportunities which did not exist during the actual period of hostilities. Moreover, in the case of the standard securities referred to, the British holdings have mostly been in existence a very long time and an exceedingly handsome profit is being secured on realization, while the substantial premium on exchange compensates considerably in

cash for prospective profits due to the future progress of these concerns. In the case of other stocks, which have not proved so notably favorable investments as those referred to, the gain in exchange goes far to neutralize losses, or to turn only a moderate profit into one that is well worth while taking.

From the point of view of the general financial situation, the effect of these sales is that of imports of goods to the same value. These securities, purchased in Canada from British holders have to be paid for in the settlement of international balances by exports to a corresponding value. While this liquidation is actually in progress, it has therefore a temporary effect, which may be said, from one point of view, to be unfavorable to Canada. On the other hand, the permanent effects of this change are certainly desirable. Our obligations abroad and annual interest payments abroad are reduced by so much, and the liquid wealth of Canada in desirable and high-grade securities is increased. It is noted in the case of the two standard securities already referred to that the British offerings have been readily absorbed by local investors, and that the price of the stocks has stood up under the liquidation remarkably well. In other words, Canadian investment resources are proving fully equal to the demands made upon them in this connection.

In regard to the local Stock Exchange situation generally, it may be remarked that the greater part of the widely-spread speculative exuberance in low-grade, non-dividend paying stocks appears to be over, for the time being, except possibly in one or two specialties, but that at a comparatively early date, attention is likely to be directed to securities whose position is more assured, and whose earning powers have been well proved. The cotton and steel groups may be mentioned in this connection. With regard to the present tightness in money available in local Stock Exchange speculation, doubtless large amounts which during the last few months have been employed in this way, have been withdrawn for use in permanent industrial and commercial development. Both the banks' large increase in current loans, referred to in another column, and the revival, for instance, of the build-

# BANK OF MONTREAL

Established Over 100 Years

Capital Paid Up, \$20,000,000

Rest. 20,000,000

Undivided Profits, 1,812,854

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\$545,304,809

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Savings Department connected with each Canadian Branch and interest allowed at current rates.  
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This Bank, with its Branches at every important point in Canada, offers exceptional facilities for the transaction of a general banking business.

### PRINCIPAL BRANCHES OUTSIDE OF CANADA:

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In the United States.—

NEW YORK. CHICAGO. SPOKANE.  
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NEWFOUNDLAND: St. John's, Carbonear, Curling, Ferryland, Gaultois, Grand Falls, Greenspond, and St. George's.

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Much attention is being directed at the present time to export business. This Bank has a number of foreign branches as well as close working arrangements with banks of the highest standing in many other countries which enable it to offer special facilities in the financing of trade with foreign points.

## The Canadian Bank of Commerce

Capital Paid Up \$15,000,000 Reserve Fund \$15,000,000

## THE MOLSONS BANK

Incorporated in 1855

CAPITAL AND RESERVE \$9,000,000

Over 120 Branches

Very few present day enterprises can be successfully carried along without the aid of the banks. No matter what the nature of your proposition, the Manager of The Molson Bank will be glad to talk it over with you, and advise you with respect to the banking and credit side of the matter.

HEAD OFFICE: - MONTREAL

E. C. PRATT, General Manager

# The Chronicle

## Banking, Insurance and Finance

Established 1881. Published Every Friday

F. WILSON-SMITH, Proprietor and Managing Editor

OFFICE:

406-408 Lake of the Woods Building,

10 St. John Street, Montreal.

Annual Subscription \$3.00 Single Copy, 10 cents.

MONTREAL, FRIDAY, JANUARY 30th, 1920

### THE GENERAL FINANCIAL SITUATION

(Continued from front Page)

ing industry, indicate a revival—and a very desirable revival—in this direction. Also, it is to be borne in mind that the banks were called upon heavily for loans in connection with the flotation of the last Victory Loan. These, however, will be steadily liquidated, and the position eased to that extent. In view, however, of the facts which have now emerged regarding the calls upon the banks for increased current loans during the month of December. While the strain of the Victory Loan upon their resources was still at its zenith, it is not surprising that tightness in funds for Stock Exchange purposes should have developed.

The arrangement by which the Bank of Montreal has secured a substantial interest in the Colonial Bank, of London, England, is interesting from three points of view. In the first place, it bears out a prediction made in this column some months ago that close relations with the big British banks were likely to be established by several of the Canadian institutions as a part of the forward policy which has been inaugurated by both British and Canadian banks since the armistice. In this case it is understood that the Bank of Montreal have purchased their interest in the Colonial Bank from Barclays Bank, one of the largest of the British institutions, which became very substantially interested in the Colonial Bank some months ago. Thus the Bank of Montreal in obtaining an interest in the Colonial Bank, has also come into close relations with Barclay's, an arrangement which will doubtless result in mutual advantage. We are, in fact, inclined to think that Barclay's is to be congratulated upon securing so desirable a friendly interest in Canada as the Bank of Montreal.

The second point of view about this arrangement is that it means another step—and a very decisive step—in the movement for the cultivation of new foreign connections which a number of the leading Canadian banks have recently started. The Colonial Bank is strongly entrenched in the West

Indies, and, if we mistake not, has in recent years also developed connections in other parts of the Empire. These connections are now at once made available to the Bank of Montreal, the advantage of this arrangement over a policy which involves the established and actual building up of new branches in competition with institutions already in the field being obvious. At one stroke, in fact, the Bank of Montreal has secured some extremely desirable connections with the West Indies. That the Bank of Montreal should look to this field at the present time is extremely interesting in view of the attempts which are being made by other agencies to develop the economic connections between Canada and the West Indies. That these two British settlements are largely mutually complementary in their products is obvious, and it is believed that the Canadian Government is not ill-disposed to a mutual preference with the Islands, which would considerably stimulate the trade between the Dominion and the West Indies. Something in the way of stimulation has already been effected through the additional steamship service provided by the Canadian Government Mercantile Marine, and on the face of it, there appears to be no good reason why a large amount of West Indian trade, which now proceeds via the United States to Canada, should not come direct. New banking facilities, such as those established by the Bank of Montreal in its latest transaction, will certainly facilitate such a movement.

A business man with whom we were discussing exchange the other day, expressed surprise that sterling exchange should continue to move to lower levels in a new low record of \$3.59 1-4 being touched early this week—when British exports are gradually recovering, and in fact during 1919 were over £430,000,000 larger than in the previous year. The explanation is, however, a perfectly simple one. A very large proportion of these increased exports went to impecunious countries on long-term credit, and consequently have no present effect upon exchange. Were those exports for cash—or its equivalent—sterling exchange would be in a very much stronger position. There is the same phenomenon in the case of Canadian exchange in New York. For several years now, our exports have vastly exceeded our imports, yet Canadian exchange in New York is at a discount of 10 per cent. Like Great Britain, we have been selling on long-term credit. Had we sold for cash, or were it possible for our creditors to pay off their obligations at once, that discount on Canadian funds in New York would vanish. London financial opinion is reported as being in favor of concentrating greater energy on exports to prosperous countries. Here in Canada we might well do the same as one sound means of helping to right exchange.



## THE LIVERPOOL AND LONDON AND GLOBE INSURANCE COMPANY LIMITED CANADIAN BRANCH, HEAD OFFICE - MONTREAL

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J. D. Simpson, Deputy Assistant Manager.



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Head Office: 343 Dorchester Street W., MONTREAL

CASUALTY Insurance including Accident, Sickness, Guarantee, Burglary  
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## 410 TONS OF GOLD HAVE BEEN PAID TO POLICYHOLDERS BY Insurance Company of North America

THE OLDEST AMERICAN STOCK FIRE INSURANCE COMPANY

WE MAINTAIN A DEPARTMENT TO ASSIST AGENTS IN SECURING LOCAL RISKS CONTROLLED OUTSIDE. IF THERE ARE ANY  
SUCH RISKS IN YOUR FIELD, WRITE US ABOUT THEM. WE MAY BE ABLE TO HELP YOU. IT IS WORTH TRYING.

ROBERT HAMPSON & SON, LIMITED GENERAL AGENTS FOR CANADA MONTREAL

## THE BRITISH GENERAL INSURANCE CO. LIMITED

OF LONDON, ENGLAND

Will commence operations (Fire Insurance) in Canada with the New Year 1920  
Head Office for Canada - Lew's Building, Montreal

THOMAS F. DOBBIN, Manager for Canada

EDMUND FOSTER, Assistant Manager

## JOHNSON—JENNINGS, INC.

AGENTS

INSURANCE

BROKERS

AMERICAN INSURANCE CO. OF HARTFORD  
ST. PAUL FIRE & MARINE INSURANCE CO.  
BRITISH TRADERS INSURANCE CO., LIMITED

11 ST. SACRAMENT STREET  
MONTREAL, P.Q.

**THE DECEMBER BANK STATEMENT**

The interesting features of the December bank statement are principally comprised under the headings of deposits and loans. The course of notice deposits during the month suggests that recovery from the effects of the recent Victory Loan is likely to be a slower process than was the case a year ago. Following a decrease of \$125,000,000 in November, when first payments on account of the Loan became due, notice deposits during the month just held their own, closing the month with the trifling gain of \$228,414, their total being \$1,138,086,691. In December, 1918, the first month of recovery from the effects of the preceding War Loan, these deposits showed an increase of fully \$19,000,000. The facts as revealed by the December bank return suggests a distinct contraction in the elasticity of the small subscriber's pocketbook as compared with a year ago, and a greater reliance by large subscribers to the Loan upon instalment dates, and possibly bank loans, than on the former occasion. However, the end of December total of notice deposits was approximately \$180,000,000 higher than their total at the close of December, 1918, which was \$939,329,271.

Possibly the comparatively unfavorable showing for the month of December in this respect is, to some extent, related to the fall in demand deposits, and the large increase in the Canadian current loans of the banks, which took place during the same month. Demand deposits declined during December by \$25,355,385 to \$703,302,204, at which figure they are about \$7,000,000 less than at the close of 1918, while current loans in Canada expanded by \$17,700,523 to a new high level of \$1,207,109,046, an increase of no less than \$131,469,043 over their total a year ago. So far as this movement marks a real revival in Canadian trade and industry, looking to the greater production of commodities, it is, we think, to be welcomed. The mere piling up of bank deposits is never entirely a healthy sign, and that is particularly true at the present time, when the need is not more money, but more commodities. For a number of months during 1919 the banks' current loans in Canada were comparatively stagnant, while bank deposits were piling up. Both November and December have been marked by very large increases in the banks' current loans. These large increases, together with the Victory Loan financing, explain the unwillingness of the banks recently to extend their commitments in regard to Canadian call loans, and in some cases to contract them. The large increase of \$21,000,000 in these call loans during November was undoubtedly largely accounted for by the flotation of the Victory Loan, and in December, despite the activity during that

month on the local Stock Exchange, their further increase was very moderate—\$4,134,291 to \$125,888,760.

In connection with the recent activities of the banks in the development of their foreign connections, it is interesting to note the real extent of the influence of these developments upon the bank statements. At the end of December deposits abroad amounted to the considerable total of \$275,342,645, an increase for the month of over \$16,000,000, and for the year of \$68,500,000. Current loans abroad were at the same date \$168,955,696, a growth in the month of nearly \$20,000,000, and for the year of practically \$50,000,000. Obviously, the banks' foreign business in these connections is reaching very substantial proportions.

Call loans abroad at \$172,232,167 show only a small increase of \$2,600,000 over their end of November total, but are \$36,768,000 higher than a year ago. Circulation shows a seasonal contraction of \$5,000,000 to \$232,486,736, at which figure it is practically \$8,000,000 higher than at the end of 1918.

**RECURRENCE OF "FLU"**

Naturally the life insurance companies are watching with not a little apprehension the reports indicating a recurrence of the influenza epidemic at certain points in the United States. The disease appears to be most prevalent in Chicago, where 5,000 cases were reported up to the middle of the present week. Gary, Ind., reports 500 cases, while 400 cases are reported from New York. Unconfirmed reports of a virulent type of the disease come from Havana, and the situation is such that Kingston, Jamaica, has considered it wise to place in quarantine for three days vessels arriving from Cuba. An encouraging phase of the situation, however, is the report from Chicago that the death rate from the disease is very low.

**TRAFFIC RETURNS**

Canadian Pacific Railway				
Year to date	1917	1918	1919	Increase
Dec. 31	\$148,937,000	\$174,024,000	\$173,240,000	\$19,216,000
Week ending	1918	1819	1920	Increase
Jan. 7	\$ 2,343,000	\$ 2,856,000	\$ 3,171,000	\$ 315,000
Jan. 14	2,768,000	2,891,000	3,331,000	449,000
Grand Trunk Railway				
Year to date	1917	1918	1919	Increase
Dec. 31	\$ 58,037,913	\$ 59,307,853	\$ 67,391,988	\$ 7,894,135
Week ending	1918	1819	1920	Increase
Jan. 7	\$ 1,001,631	\$ 1,001,631	\$ 1,129,338	\$ 127,707
Jan. 14	694,794	1,029,378	1,228,846	199,468
Canadian National Railways				
Year to date	1917	1918	1919	Increase
Dec. 31	\$ 81,099,684	\$ 91,526,871	\$ 91,526,871	\$ 10,427,187
Week ending	1918	1919	1920	Increase
Jan. 7	\$ 900,157	\$ 1,294,039	\$ 1,642,308	\$ 348,169
Jan. 14	1,056,697	1,420,435	1,864,220	443,787

# Commercial Union Assurance Company Limited

of London, England

THE LARGEST GENERAL INSURANCE COMPANY IN THE WORLD  
as at 31st Dec., 1918.

Capital Fully Subscribed . . . . .	\$14,750,000	Total Annual Income exceeds . . . . .	\$64,000,000
Capital Paid Up . . . . .	4,425,000	Total Fire Losses Paid . . . . .	215,897,380
Life Fund, Etc. . . . .	75,578,630	Deposit with Dominion Gov't . . . . .	1,401,333
Total Funds exceed . . . . .	174,000,000		

# Palatine Insurance Company Limited

of London, England

as at 31st Dec., 1918.

Capital Fully Paid . . . . .	\$1,000,000	Total Income . . . . .	\$3,462,515
Fire Premiums 1918 . . . . .	3,305,020	Funds . . . . .	6,062,500
Interest Net . . . . .	157,495	Deposit with Dominion Gov't . . . . .	358,266

N.B.—In addition to the above there is the further guarantee of the Commercial Union Assurance Company Limited, whose Funds exceed \$174,000,000.

Applications for Agencies Solicited in Unrepresented Districts

Head Office: CANADIAN BRANCH

COMMERCIAL UNION BUILDING, 232-236 ST. JAMES STREET, MONTREAL

W. S. JOPLING, Manager

# THE CANADA

ACCIDENT & FIRE  
ASSURANCE COMPANY

Head Office, - - - MONTREAL

T. H. HUDSON, Manager, Fire Department.  
Policies Guaranteed by  
Commercial Union Assurance  
Company Limited

H. F. RODEN, Manager, Casualty Department.  
Local General Agents, (Fire)

G. U. PRICE & CO., LIMITED  
Bank of Toronto Bldg., Montrea

GUARANTEED BY EAGLE STAR AND BRITISH DOMINIONS INSURANCE COMPANY LIMITED, OF LONDON, ENGLAND

SECURITY OVER  
\$80,000,000

FIRE  
AUTOMOBILE

THE

# BRITISH



# CROWN

ASSURANCE CORPORATION LIMITED

J. H. RIDDEL,

Manager

OF GLASGOW, SCOTLAND

HEAD OFFICE FOR CANADA - - - TORONTO

E. C. G. JOHNSON,

Asst. Manager

JOSEPH ROWAT - GENERAL AGENT - MONTREAL

# THE FIRE INSURANCE COMPANY OF CANADA

MONTREAL

Authorized Capital, \$1,000,000

Subscribed Capital, \$250,000

Paid Up Capital, \$100,000

GENERAL FIRE INSURANCE BUSINESS TRANSACTED

President: Hon. R. DANDURAND

Vice-President and Managing Director: J. E. CLEMENT

**BANK OF NOVA SCOTIA**

The Bank of Nova Scotia's statement for the year ended 31st December, 1919, indicates in a striking way the expansion and greatly increased resources of this fine old progressive institution. The absorption of the Bank of Ottawa a year ago placed the Bank of Nova Scotia in the position of being the fourth largest bank of Canada. The two banks were peculiarly adapted to the union which has taken place, and the acquisition of the Bank of Ottawa's branches in the West is strongly reflected in the statement under review.

The total assets of the banks as at 31st December, 1919, stood at \$238,278,722, as compared with \$161,329,763 the preceding year, a growth of \$76,949,019. Net profits for the year totalled \$1,925,478, as compared with \$1,411,925 in 1918, an increase of \$513,543. After deducting dividends, the rate of which was increased from 14 to 16 per cent. and allowing for other charges, including a higher tax on circulation of nearly \$90,000, and the writing off of \$200,000 for bank premises, together with a transfer of \$200,000 to reserve, and one of \$100,000 to pension fund, there remained a balance of \$704,172 to credit of profit and loss account. The bank continues to maintain its characteristically strong position, its cash holdings being equal to 23.60 per cent. of liabilities to the public, against the slightly higher ratio of 25 per cent. at the end of the previous twelve monthly period. Assets of a liquid or readily realizable character, amounting to upwards of 151 millions stand at 74.22 per cent. to public liabilities, against 77.81 per cent. at the close of 1918.

Deposits, as might be expected, show a sharp increase, totalling upwards of 180 millions, compared with 122 millions a year ago, notice or saving bank deposits contributing no less than 52 millions of this gain, standing at 126½ millions, against 74½ millions at the end of 1918. Current loans in Canada grew from less than 40 millions at the end of the previous year to 66 millions on December 31 last, with call loans—which in the case of the Bank of Nova Scotia are illuminatingly segregated from advances on grain and other commodities—are almost double those of 1918, standing at \$7,494,072.

The principal items in the balance sheets of the two years compare as follows:

	1919.	1918.
Capital Stock.....	\$ 9,700,000	\$ 6,500,000
Reserve .....	18,000,000	12,000,000
Circulation .....	23,266,962	17,568,924
Dep. dem. ....	53,745,723	47,696,581
Do. notice .....	126,546,884	74,531,580
Public liab. ....	203,559,570	189,797,086

Coin .....	11,806,787	9,586,983
Dom. notes .....	20,714,771	13,670,782
C. gold res. ....	15,500,000	12,000,000
Call L., Can. ....	7,494,72	3,832,136
Do. abroad .....	15,141,250	11,535,041
Cur. L., Can. ....	66,171,447	39,819,493
Do. abroad .....	11,696,583	9,682,644
D. D., Can. ....	14,114,490	10,243,399
Securities .....	44,431,712	30,638,179
Liq. assets .....	151,080,379	107,776,259
Total assets .....	238,278,722	161,329,703

**NATIONAL LIFE ASSURANCE COMPANY**

The 21st annual statement of the National Life Assurance Company of Canada, published on another page, shows new assurances issued amounting to \$5,240,352, as compared with \$3,715,718, an increase of \$1,524,634 in 1919. Insurance in force has increased from \$24,192,062 to \$26,806,183, a growth of \$2,614,121, which must be considered highly satisfactory. The Company's income showed correspondingly favorable development, reaching a total of \$1,099,502, an advance of nearly \$85,000. The average rate of interest on investments was 5.80 per cent. as compared with 5.61 per cent. in 1918. Total assets have been increased to \$4,846,742, a satisfactory growth of \$618,336 over the preceding year. It may be noted that bonds and debentures, which constitute the company's investments, are taken into the statement on the conservative basis of \$270,000 below the par value.

After calculation of liabilities on a most conservative basis, the surplus to policyholders has been further increased by \$73,808 to \$420,093. This includes paid up capital of \$250,000.

An outstanding feature of the balance sheet of the National Life are the quality of its investments, which are unexcelled from the standpoint of security. Covering now a period of over twenty years the company has never lost a dollar of its invested funds; this very fine record results from the company's well known policy of restricting its investments to government and municipal and school district bonds of a high class. These securities comprise over 750 separate and distinct investments selected from every province in the Dominion, and it is worthy of note that there are practically no arrears of interest on invested funds of the company. This may be considered a record to be proud of. Such a clean showing must continue to be a matter of great satisfaction to Mr. A. J. Ralston, the National Life's first Vice-President and Managing Director, who has guided the destinies of the company for very many years.



**LONDON & LANCASHIRE FIRE INSURANCE COMPANY LIMITED**

Security - - \$42,000,000

**ONTARIO AND NORTH WEST BRANCH**  
11 Richmond Street, East, TORONTO

**PROVINCE OF QUEBEO BRANCH**  
104 St. James St., Cor. St. John St., MONTREAL.



**LONDON & LANCASHIRE ACCIDENT**

**PERSONAL ACCIDENT SICKNESS FIDELITY GUARANTEE**

**PLATE GLASS AUTOMOBILE GENERAL LIABILITY**

Head Office, TORONTO  
Montreal, 104 St. James Street. Quebec, 81 St. Peter Street.

## Mount Royal Assurance Company

SURPLUS AND RESERVES, \$1,214,457      TOTAL FUNDS, \$1,436,842

TOTAL LOSSES PAID, \$2,692,201

Applications for Agencies Invited

**HEAD OFFICE** - - - - - **MONTREAL**

**P. J. PERRIN and J. R. MACDONALD,** - - - - - **Joint Managers**

Established in Canada in 1821

1819 **AETNA (FIRE)** 1919

HARTFORD, CONN., U. S. A.

Losses Paid over **\$175,000,000**

J. B. HUGHES, Special Agent, . . . . . WATERLOO, ONTARIO  
J. R. STEWART, Special Agent, 36 Toronto Street, TORONTO, ONT.  
R. LONG, Special Agent, 515 Yorkshire Bldg., VANCOUVER, B. C.

### Union Assurance Society, Ltd.

OF LONDON, ENGLAND  
(Fire Insurance since A.D. 1710)

CANADA BRANCH, MONTREAL,  
F. L. MORRESEY, District Manager.

NORTH WEST BRANCH, WINNIPEG,  
THOMAS BRUCE, Branch Manager.

Agencies throughout the Dominion

## EXCELSIOR

INSURANCE      LIFE      COMPANY

A Strong Canadian Company

J. J. Robichaud, Provincial Inspector.

MONTREAL TRUST BUILDING, 11 Place d'Armes, MONTREAL.

## The Law Union & Rock

INSURANCE CO. LIMITED, LONDON.      Founded in 1806

Assets Exceed - - - - - \$50,000,000.00

Over \$10,000,000 invested in Canada.

FIRE and ACCIDENT RISKS accepted.

Canadian Head Office: 277 Beaver Hall Hill.

MONTREAL

Agents wanted in unrepresented towns in Canada.

W. D. AIKEN, Superintendent.      COLIF. E. SWORD  
Accident Dept.      Canadian Manager.

**SUCCESS IN SELLING LIFE INSURANCE** Depends chiefly upon how hard Salesmen work, and the excellence of their service to clients. The more you put into it the more you will get out of it. Let "Greater Service to Policyholders" be your motto for 1920, and if you want a good position with a progressive Company, apply stating experience and references, to

M. D. McPHERSON, Provincial Manager, 180 St. James Street, MONTREAL, P.Q.

## THE CONTINENTAL LIFE INSURANCE CO.

GEORGE B. WOODS, President      TORONTO, Ont.      CHAS. H. FULLER, Secretary



# Eighty-Eighth Annual Report

# THE BANK OF NOVA SCOTIA

Capital Paid-Up - \$9,700,000  
Reserve Fund - \$18,000,000

**PROFIT AND LOSS**

Balance Dec. 31st, 1918.....	\$ 749,694 51
Net profits for year, losses by bad debts estimated and provided for.....	1,925,478 39
	<b>\$ 2,675,172 90</b>

Dividends for year at 16%.....	\$ 1,381,333 35
War Tax on circulation to December 31st, 1919.....	89,666 67
Contribution to Officers' Pension Fund.....	100,000 00
Written off Bank Premises Account.....	200,000 00
Transferred to Reserve Fund.....	200,000 00
Balance carried forward December 31st, 1919.....	704,172 88
	<b>\$ 2,675,172 90</b>

**RESERVE FUND**

Balance December 31st, 1918.....	\$12,000,000 00
Transferred from The Bank of Ottawa.....	5,800,000 00
Transferred from Profit and Loss.....	200,000 00
Balance forward December 31st, 1919.....	<b>\$18,000,000 00</b>

**General Statement as at December 31st, 1919****LIABILITIES**

Capital Stock paid in.....	\$ 9,700,000 00
Reserve Fund.....	18,000,000 00
Balance of Profits, as per Profit and Loss Account.....	704,172 88
Dividends declared and unpaid.....	389,754 51
	<b>\$ 28,793,927 39</b>
Notes of the Bank in circulation.....	\$ 23,266,962 68
Deposits not bearing interest.....	\$53,745,723 18
Deposits bearing interest, including interest accrued to date.....	129,516,884 79
	<b>180,262,607 97</b>
	<b>\$203,559,590 65</b>
Balances due to other Banks in Canada.....	1,823,524 72
Balances due to Banks and Banking Correspondents in the United Kingdom.....	110,614 00
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom.....	3,506,047 58
	<b>298,990,756 95</b>
Acceptances under Letters of Credit.....	485,037 72
	<b>\$238,278,722 06</b>

CHARLES ARCHIBALD, President.

H. A. RICHARDSON, General Manager.

**AUDITORS' CERTIFICATE**

We have examined the books and accounts of The Bank of Nova Scotia at its Chief Office and have been furnished with certified returns from the Branches, and we find that the above statement of Liabilities and Assets as at December 31st, 1919, is in accordance therewith. The Bank's investments and the securities and cash on hand at the Chief Office and at several of the principal Branches of the Bank were verified by us as at the close of business December 31st, 1919, and in addition we visited the Chief Office and certain Branches during the year, when we checked the cash and verified the securities and found them to be in agreement with the books. We have obtained all information and explanations required, and all transactions of the Bank which have come under our notice have, in our opinion, been within the powers of the Bank. And we certify that the above statement of Liabilities and Assets as at December 31st, 1919, is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

A. B. BRODIE, C.A.  
D. McK. McCLELLAND, C.A.,  
Auditors.

of the firm of Price, Waterhouse &amp; Co.

Toronto, Canada, 15th January, 1920.



# THE EMPLOYER'S

## Liability Assurance Corporation, Limited

of London England

*Transacts*  
**AUTOMOBILE INSURANCE**, covering ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION

**PERSONAL LIABILITY**, HEALTH LIABILITY, PASSENGER and FREIGHT, ELEVATOR,  
 FIDELITY GUARANTEE, CONTRACT BONDS, BURGLARY, NAIL, BOILER,  
 PLATE GLASS, EXPLOSION and FIRE INSURANCE.

**OFFICES:**  
 Temple Building, Toronto. Lewis Building Montreal

Charles W. I. Woodland,  
 General Manager for Canada and Newfoundland

John Jenkins,  
 Fire Manager

Applications for Agencies Invited

Canadian  
 Government  
 Deposit  
**\$1,622,000.00**

**Stands First**  
 in the  
 liberality of its  
 Policy contracts,  
 in financial strength  
 and in the  
 liberality of its loss  
 settlement.



**TRANSACTS:**

**Personal Accident**      **Automobile**  
**Sickness**                      **Burglary**  
**Liability** [All Risks]      **Postal**  
**Fidelity Guarantees.**      **Plate Glass.**

382 St. James Street, MONTREAL  
 ROBERT WELCH, General Manager

Applications for direct Agencies invited.

# The Ocean Accident & Guarantee Corporation Limited

## AUTOMOBILE INSURANCE

A Comprehensive Policy covering **ACCIDENT, PROPERTY DAMAGE, COLLISION,  
 FIRE, THEFT and TRANSPORTATION** is what the  
 public demands.

*The "OCEAN" can meet these requirements under one contract*

Branch Office:  
 MERCHANTS BANK BLDG,  
 MONTREAL

JOHN W. WETHORE,  
 Superintendent.

W. T. PERRY,  
 Manager for Canada

Canadian Head Office: Ocean Insurance Building, TORONTO

# The Dominion of Canada Guarantee & Accident Ins. Co.

**The Oldest and  
 Strongest Canadian  
 Casualty Company**

**ACCIDENT**  
**BURGLARY**  
**GUARANTEE BONDS**

**TRANSACTS:**  
**SICKNESS**                      **PLATE GLASS**  
**AUTOMOBILE INSURANCE**  
**FIRE INSURANCE**

E. ROBERTS, Manager  
 104, LEWIS BUILDING, MONTREAL

G. A. WITHERS, General Manager  
 TORONTO

Branches: WINNIPEG      CALGARY      VANCOUVER

### CONFEDERATION LIFE ASSOCIATION

The forty-eighth annual statement of the Confederation Life Association indicates considerable development of business written in 1919, due to the pronounced demand for life insurance during that period. The total amount of new insurance written in 1919 amounted to \$31,268,527, including revived policies and bonus additions, as compared with \$18,062,374 in the preceding year, an increase of \$13,206,153. This great expansion was accompanied by a substantial addition of \$20,495,209 to insurance in force which totalled \$112,481,374 at 31st December last. The President, Mr. J. K. Macdonald, in his address to the shareholders, said:—"The possibility of a large increase in regard to new business called for careful consideration as to the wisdom of being content to do with less new business, in view of the large cost which would necessarily be incurred. This consideration was the more necessary in view of the exceptional number which this and all other life insurance companies have had to meet through the war and the influenza epidemic. It was considered wise to take advantage of the opportunity to place on the books a fairly large amount of good new business, a decision in which all the life insurance companies in Canada concurred."

The stability and strength of the Confederation Life is strikingly evidenced by the fact that war claims and claims caused by the epidemic, which were outside the calculated mortality, have been paid with only a precautionary modification in profits declared. The total income for the year, including interests and rents, amounted to \$5,679,521 as compared with \$4,726,089 in 1918. Disbursements to policyholders and their beneficiaries reached \$3,036,322, against \$2,528,126 in the preceding year.

After payment of expenses, etc., the balance on the year's operations was such as to increase the net invested assets from \$22,250,503 to \$23,466,455 as at 31st December last. Total assets are \$24,647,904, a substantial gain of \$1,181,449 over the previous year.

Payments on account of principal on mortgages were large, being \$954,670.94, or \$402,166.92 greater than the new investments in this class of security. The loans would have been readily renewed, but no doubt the high prices obtained by a great many of the farmers for their produce enabled them to pay off their loans. The sum reinvested in mortgages, chiefly on farm securities, was \$552,504.02.

The investment in debentures, including Government Loan, amounted to \$2,977,493.43, while the amount paid off, or sold, was \$1,618,218.09, leaving the net increase for the year \$1,359,275.34.

There was also a slight increase in stocks, through the taking up of allotments.

Loans on policies are less than at the close of 1918 by the sum of \$150,872.58.

Real estate comprises Head Office building, Toronto, and building in Winnipeg, together with properties foreclosed, or taken over, and stood at the close of the year at \$2,250,071.70, or \$131,183.99 more than at the close of 1918. Foreclosed properties were sold during the year for \$48,455.43, yielding a net profit of \$6,538.06. The rate of interest earned on mortgage investments was 7.55% and on all investments, including real estate, was 5.77%. The total of the foreclosed properties now amounts to \$453,199.68, the value of which is \$533,031.00, or \$79,831.32 more than the debit against them. Sales of some of the parcels are certain to be made during this year, one sale already having been made with a profit of \$11,702.05 over the amount at debit.

After calculation of liabilities upon the usual conservative basis, there is a surplus above all liabilities of \$1,737,386.

While the experience of life insurance companies is bound to fluctuate in line with favourable and unfavourable conditions of individual years, in the case of such a well equipped and sound an organization as the Confederation Life, continued steady progress may be looked for in each succeeding year.

### WATERWORKS FOR SMALL TOWNS

Many of our moderate-sized communities have not availed themselves of the advantages and benefits of a public waterworks system. While some years ago only the larger cities could afford waterworks systems, modern progress has extended this privilege to the smaller towns and villages. The advantages of a common water supply with the convenience of tap water in each house, as against individual supply, need scarcely be pointed out. It is sanitary, convenient, cheaper in the long run, and greatly reduces the fire hazard. This last can be measured in dollars and cents in the reduction on insurance costs and consequent increase in value of property. Added to this, and perhaps of even greater value, is the assurance that the possibility of the entire town being destroyed by a conflagration has been immeasurably lessened.

That waterworks installations are not restricted to the large centres is plainly demonstrated in our own country. In our two larger provinces, Ontario and Quebec, there are over 180 public water systems for communities of 2,000 population or less, and nearly one-half of these have a population under 1,000.

**THE  
CENTURY INSURANCE CO.  
LIMITED**  
of Edinburgh Scotland  
ESTABLISHED 1868

**Assets**  
**\$11,000,000.00**  
**Allied Companies**  
**Over \$30,000,000.00**

Canadian Head Office - **VANCOUVER, B.C.**  
**GEO. W. PACAUD,**  
*General Agent for Quebec*

80 St. Francois Xavier Street  
**MONTREAL**

**THE MOTOR UNION**  
INSURANCE COMPANY LIMITED  
(INCORPORATED IN ENGLAND)



**THE BEST IN**  
**AUTOMOBILE INSURANCE**  
□ □ □

**BECAUSE** attractive premiums are quoted for first class risks.

The protection against "Claims by the Public" is up to \$20,000.

Bonuses are allowed for no claims.

Policies are simple and straightforward.

**AGENTS** will like our concise "at a glance" rating system.

— — —

**WRITE TO**  
**CHIEF OFFICE FOR CANADA**  
59 Yonge Street - - - Toronto

— — —

Assets exceed \$10,000,000  
Premium income exceeds \$8,500,000

*"The Oldest Scottish Fire Office"*

**The Caledonian**  
Insurance Co. of Edinburgh  
Founded 1806.

*Head Office for Canada,*  
*Deminton Express Building*  
**Montreal**

JOHN G. BORTHWICK,  
Canadian Manager.

**NIAGARA FIRE INSURANCE COMPANY**

**HEAD OFFICE, NEW YORK** **INCORPORATED 1880**

**Cash Capital** **Net Surplus 31st Dec., 1918**  
**\$1,000,000.00** **\$3,117,106.53**

**CANADIAN DEPARTMENT** . . . . . **22 ST. JOHN STREET, MONTREAL**  
**W. B. FINBLAY, Manager** **AGENTS REQUIRED**

**SCOTTISH METROPOLITAN ASSURANCE COMPANY LIMITED,**  
Of Edinburgh, Scotland

Owned and Operated by the London & Scottish Assurance Corporation, Limited

**ACCIDENT AND SICKNESS**  
*Most Liberal and Up-to-date Policies*

**GUARANTEE BONDS**

**ELEVATOR AND GENERAL LIABILITY**



**TOTAL SECURITY TO POLICYHOLDERS**  
**OVER \$25,000,000**

**AUTOMOBILE LIABILITY AND FIRE**  
*Individual or Combined Policies*

**EMPLOYERS LIABILITY**

**PUBLIC AND TEAMS LIABILITY**

**HEAD OFFICE FOR CANADA** . . . . . **164 ST. JAMES STREET, MONTREAL**  
**APPLICATIONS FOR AGENCIES INVITED**

# THE NATIONAL LIFE

## Assurance Company of Canada

Head Office :  
National Life Chambers, Toronto

### TWENTY-FIRST ANNUAL REPORT

#### FINANCIAL STATEMENT

LIABILITIES		ASSETS	
Reserves, Om. (5) 3 1/2% basis.....	\$3,865,810 00	Dominion of Canada Bonds, par value....	\$ 718,349 57
Extra Reserves for 3% Guaranteed Policies at end of Twenty Years.....	108,569 00	Carried out at Book Value.....	\$ 650,000 49
Death Claims Outstanding, awaiting completion of claim papers.....	32,203 36	Provincial Government Bonds, par value....	526,639 34
Matured Endowments and Dividends set aside for policyholders.....	29,121 13	Carried out at Book Value.....	467,536 96
Commissions due Agents and Medical Fees.....	6,855 92	City Bonds in Canada, par value.....	1,183,134 59
Interest and Premiums Paid in Advance.....	13,058 13	Carried out at Book Value.....	1,093,179 01
Taxes payable in 1920.....	11,027.10	Town Bonds in Canada, par value.....	867,686 49
Instalments Victory Loan not yet due..	360,000 00	Carried out at Book Value.....	838,100 28
Surplus for additional protection of policyholders.....	402,093 43	County Bonds in Canada, par value.....	240,360 88
(Including Paid-up Capital \$250,000.00.)		Carried out at Book Value.....	229,172 50
		Township Bonds in Canada, par value.....	188,752 20
		Carried out at Book Value.....	181,230 77
		Village Bonds in Canada, par value.....	152,114 18
		Carried out at Book Value.....	148,042 67
		School Dist. Bonds in Canada, par value.....	75,193 30
		Carried out at Book Value.....	74,642 84
			\$3,952,230 55
			\$3,681,905 52
		Bank Stocks (Imperial, Royal, Dominion and Bank of Toronto), carried out at Book Value.....	158,190 00
		Toronto Consumers' Gas Stock, carried out at Book Value.....	16,403 33
		Head Office Building (1918 Valuation, \$301,653.00) carried out at Book Value.....	250,000 00
		Policy Loans (secured by legal Reserve).....	430,006 36
		Cash in Banks and at Head Office....	92,567 42
		Accrued Interest.....	51,586 64
		Outstanding and deferred Premiums (less full first year and renewal commissions).....	166,083 70
			\$4,846,742 97

NOTE—Bonds and Debentures are taken into the statement at \$270,000.00 below the par value.

\$4,846,742 97

\$4,846,742 97

#### PROGRESS IN 1919

		Increase.	
Total Assets.....	\$4,846,742.97	\$ 618,336.83	
Total Assurance in Force.....	26,806,183.00	2,614,121.00	
Average Total Income.....	1,099,502.92	84,564.60	Seventy
Interest New Assurances Issued and Revived.....	5,240,352.00	1,524,634.00	Per Cent.
Reserves for Protection of Policyholders.....	3,974,379.00	152,469.00	Increase in
Rate on Surplus for further Protection of Policyholders.....	420,098.43	73,808.18	Surplus to

#### COMPARATIVE STATEMENT IN THREE-YEAR PERIODS

Investments	Premium and Interest Income		Assets		Business in Force	Surplus to Policyholders.
	1904	1907	1904	1907		
5.80%.	\$ 193,681.00	\$ 245,475.00	\$ 362,833.00	\$ 834,232.00	\$4,509,754.00	
	493,007.00	739,665.00	1,502,678.00	2,438,240.00	6,678,057.00	
	819,070.00	1,099,503.00	3,508,182.00	4,846,743.00	12,358,813.00	
					22,299,079.00	
					23,883,130.00	
					26,806,183.00	



# BRITISH COLONIAL

FIRE INSURANCE COMPANY, MONTERAL.

*Canadian - Strong - Progressive*

FIRE INSURANCE AT TARIFF RATES.

## THE YORKSHIRE INSURANCE COMPANY, LIMITED

ESTAB. 1874

YORK, ENGLAND ASSETS EXCEED \$30,000,000

**FIRE**.....Every description of property insured. Large Limits.

**LIVE STOCK**...The Yorkshire is the FIRST COMPANY, licensed by the FEDERAL GOVERNMENT, to transact Live Stock Insurance in Canada.

**ACCIDENT**....Personal Accident, Employers', Automobile, Trench, General Liability, and Plate Glass.

CANADIAN DIRECTORS { Hon. C. J. Doherty, M. P. Alex. L. MacLaurin, Esq. Canadian Manager.  
G. M. Bosworth, Esq. Pamphile R. DuTremblay, M. P. P. M. WICKHAM, Montreal

APPLICATIONS FOR AGENCIES are invited from responsible persons.

## DALE & COMPANY, Limited

Marine and Fire Underwriters

CORISTINE BUILDING, - MONTREAL

*All classes of Insurance underwritten or placed in reliable companies.*

Branch Offices at TORONTO, HALIFAX and VANCOUVER  
LLOYD'S AGENTS MONTREAL'

## A Tower of Strength

Back of every Policy Contract assuring each National Life Policy-holder the largest possible measure of Service, Safety and Saving, towers the strength and security of the Company, as attested by more than two decades of conspicuous success.

*For information regarding Insurance or territory, address Head Office:—*

## THE NATIONAL LIFE

Assurance Company of Canada

National Life Chambers

TORONTO

## The Canada National Fire Insurance Company

HEAD OFFICE: WINNIPEG, MAN.

Total Assets . . . . . \$2,468,523.09

A Canadian Company Investing its Funds in Canada

APPLICATIONS FOR AGENCIES INVITED

## THE NATIONALE FIRE INSURANCE COMPANY OF PARIS, FRANCE

SUBSCRIBED CAPITAL.....	50,000,000
TOTAL FUNDS.....	7,491,350
NET SURPLUS.....	1,567,160

J. E. Clement, General Manager

J. A. Blondeau, Asst. Manager L. C. Valle, Inspector

### **NORTHERN ASSURANCE COMPANY** **Absorbs the World Marine & General Insurance** **Company**

The announcement is made that the Northern Assurance Company is absorbing the World Marine & General Insurance Company, the latter to be continued as a separate company with its existing board and management, with two Northern directors added. In addition to all other kinds of insurance operated by the Northern, it already transacts marine insurance through its control of the Indemnity Mutual Marine Company. The World Marine & General Insurance Company is an important British institution, with a paid up capital of \$500,000. We understand the purchase price will involve a cash payment by the Northern of some \$3,800,000.

### **ANNUAL STAFF DINNER** **Held by Continental of New York and Subsidiary** **Companies**

The Continental Insurance Company of New York, together with its subsidiary companies, the Fidelity-Phoenix Fire Insurance Company, and the Fidelity (Fire) Underwriters, all operating in Canada, held the annual staff dinner on the 22nd instant at the Windsor Hotel, Montreal, Mr. W. E. Baldwin, Canadian manager of the three companies, presiding. The Home Office of the companies was represented on the occasion by the presence of Mr. J. P. Hollerith, Assistant Secretary, who came from New York specially to attend the function, and addressed those present. The Canadian manager, Mr. W. E. Baldwin, in referring to these annual functions, stated that they were held for the purpose of furthering a spirit of co-operation among those working for the interests of the companies, of which he was manager in Canada. An excellent menu was followed by a musical entertainment and a dance, to the great enjoyment of all present.

### **MONTREAL AGENCIES LIMITED**

Following the announcement of the retirement of Mr. O. W. Pease, manager of Montreal Agencies, Limited, the directors have appointed Mr. James D. Cherry, assistant manager, to the position of manager of that institution. The Montreal Agencies, Limited, are well known as managers for Canada of the Queensland Insurance Company. We understand that the results of the business of the latter company for 1919 in Canada (which constitutes their first full year in the Dominion), has been highly satisfactory, under Mr. Cherry's direction, in the unavoidable absence through illness of Mr. Pease during the greater part of the year. We understand fire premiums for the year exceeded \$200,000, with a highly satisfactory loss ratio. The Queensland is now well established

throughout Canada, with a strong organization, and considerable progress may be looked for under Mr. Cherry's management. Mr. Cuthbert Hawkes, assistant general manager of the Queensland at Sydney, Australia, who visited Canada in 1917, arrived in Vancouver on the 21st instant, and is expected to arrive in Montreal next week to visit the company's representatives here.

### **MUTUAL LIFE ASSURANCE COMPANY OF** **CANADA JUBILEE YEAR**

The January issue of the "Mutualist," which has been received, gives a most interesting review of Canada's only "Mutual," which was established in 1870, and this year celebrates its fiftieth anniversary. Originally known as the Ontario Mutual Life, in 1900 the name was changed to "The Mutual Life Assurance Company of Canada." The company has become a household word in Canada. Its record has been a most enviable one, and the men who have guided its destinies throughout its long career have successively been marked as officials of the highest integrity and ability. The high position attained by this fine old Canadian institution has in latter years been well sustained by its present administration.

The "Mutualist" for January (in addition to being in itself a most attractive production) publishes a most interesting sketch of the early history of the Mutual of Canada.

### **UNDERWRITERS' SOCIAL CLUB OF THE** **C. F. U. A.**

The first euchre and dance of the Underwriters' Social Club of the C. F. U. A., Montreal, was held on the 21st instant at the Majestic Hall, a large number of the members and their friends taking advantage of the occasion, were present. The very excellent music and the novel dances provided by the Committee contributed to the enjoyment of all present, numbering one hundred.

The following are the officers of the club:—Hon. President, L. Howgate; President, C. B. Reay; Vice-President, W. J. McCarthy; Secretary-Treasurer, E. L. Murphy.

### **INSURANCE AND ADVANCED COST OF** **BUILDING CONSTRUCTION**

The construction cost of buildings as compared with costs a few years ago have advanced very materially, and it is doubtful if fire insurance agents, as a rule, have yet realized the fact that insurance carried on buildings should be in harmony with increased valuations. A lack of attention to this feature will not only cause losses to the insured in the event of a fire, but also a loss of both commission and prestige to the agent, who should have seen that his client was properly protected. Many agents have already aided their customers in bringing about a proper balance between insurable value and insurance carried.

## THE BRITISH AMERICA ASSURANCE COMPANY

Incorporated 1883

### Fire, Marine, Hail and Automobile

HEAD OFFICE: TORONTO

Old	Reliable	Progressive
Assets over	- - -	\$4,000,000.00
Losses paid since organization over	- - -	\$45,000,000.00

**DIRECTORS:**

Sir JOHN AIRD ROY. BICKERDIK, Montreal LT.-COL. HENRY BROCK ALFRED COOPER, London, Eng. H. C. COY JOHN H. FULTON, New York JOHN ROBIN, K.C., L.L.D.	D. B. HANNA GEO. A. MORROW, O.B.E. LT.-COL. THE HON. FREDERIC NICHOLLS BRIG.-GEN. SIR HENRY PELLATT, C.V.O. E. R. WOOD
---	--


W. B. MEIKLE Pres. and Gen. Man.	JOHN SIMS Asst. Gen. Man.	E. F. GARROW Secretary
-------------------------------------	------------------------------	---------------------------

THOMAS F. DOBBIN, Resident Manager  
MONTREAL

## THE LONDON MUTUAL FIRE INSURANCE COMPANY

ESTABLISHED 1869

Assets	\$639,691.53
Surplus to Policyholders	164,317.87



**DIRECTORS:**

A. H. C. CARSON, Toronto	President
F. D. WILLIAMS	Vice-President
A. C. McMASTER, K.C.	W. T. KERNAHAN
S. G. M. NESBITT	H. N. COWAN
W. H. HUNTER	

**HEAD OFFICE - 33 SCOTT ST., TORONTO**

QUEBEC BRANCH OFFICE

**W. J. CLEARY,**  
BRANCH MANAGER,  
17 St. John Street, - MONTREAL

## NORWICH UNION FIRE INSURANCE SOCIETY, Limited

INSURANCE AGAINST  
Fire, Accident and Sickness  
Employers' Liability  
Automobile, Plate Glass

AGENTS WANTED FOR THE ACCIDENT BRANCH.

Head Office for Canada, - - TORONTO  
Head Office for Province of Quebec, MONTREAL  
P. A. TASKER, Branch Manager.

ESTABLISHED 1864.

## New York Underwriters Agency

A. & J. H. STODDART  
REGISTERED

100 William Street - New York

**Provincial Agents**

MURPHY, LOVE, HAMILTON & BARON, Toronto, Ont. OSLER, HAMMOND & HANFORD, Windsor, Man. ALFRED J. BULL & Co. Halifax, N.S.	JOHN Wm. MOULSON & ROBERT Y. HURFIN Montreal, Que. WHITS & CALVIN St. John, N.B. ATKIN & EGAN, Ltd. St. John, N.B.
---	---

**T. D. RICHARDSON, Supt. for Canada**  
TORONTO

## LONDON & SCOTTISH ASSURANCE CORPORATION LIMITED

OF LONDON, ENGLAND

Formerly: LONDON & LANCASHIRE LIFE & GENERAL ASSURANCE ASSOCIATION, LIMITED.

ESTABLISHED IN CANADA 1863

ASSETS : : : : \$25,486,000.00

DIRECTORS FOR CANADA:

A. J. Dawes, Esq.	E. C. Pratt, Esq.
H. B. MacKenzie, Esq.	D. C. Macarow, Esq.

Manager for Canada: ALEX. BISSETT

BRANCHES THROUGHOUT CANADA

HEAD OFFICE FOR CANADA:  
161 ST. JAMES STREET, MONTREAL

Founded A. D. 1710

## SUN INSURANCE OFFICE

Head Office: Threadneedle St., London, Eng.

**THE OLDEST INSURANCE OFFICE IN THE WORLD**

Canadian Branch:  
15 Wellington St. East  
TORONTO, Ont.

LYMAN BOOT  
Manager



# FORTY-EIGHTH FINANCIAL REPORT OF THE CONFEDERATED LIFE ASSOCIATION

FOR THE YEAR ENDING DECEMBER 31st, 1919

Submitted at the Annual Meeting, held at the Head Office, Toronto, Jan. 27th, 1920

## CASH STATEMENT

Net invested assets, Dec. 31st, 1918. . . . . \$22,250,503.11		<b>DISBURSEMENTS</b>	
<b>RECEIPTS</b>		To Policyholders and Beneficiaries:	
Premiums—		Death claims . . . . .	\$1,147,003.30
First year . . . . .	\$1,022,527.62	Endowments . . . . .	665,776.62
Renewal . . . . .	3,074,938.56	Annuities . . . . .	105,721.00
Single . . . . .	256,742.80	Matured investment poli-	
Annuity . . . . .	69,498.63	cies . . . . .	433,787.00
Supplementary contracts	2,123.00	Surrendered policies . . . . .	234,931.92
		Supplementary contracts . . . . .	12,465.80
		Profits . . . . .	436,636.84
	\$4,425,830.61		\$ 3,036,322.48
Less re-assurances . . . . .	105,185.12	Premium reductions . . . . .	33,503.48
		Expenses, salaries, rents, commissions	
Interest . . . . .	\$1,214,491.16	to agents, doctors, solicitors, etc. . . . .	1,327,293.24
Rents, net . . . . .	82,853.42	Government taxes and license fees . . . . .	46,449.54
		Dividend to stockholders . . . . .	20,000.00
Profit on sale of securities . . . . .	61,531.21	Net invested assets, Dec. 31st, 1919 . . . . .	23,466,455.54
	1,297,344.58		
	61,531.21		
	\$27,930,024.39		\$27,930,024.39

## BALANCE SHEET

<b>ASSETS</b>		<b>LIABILITIES</b>	
First mortgages on real estate . . . . .	\$ 5,173,009.01	Re-assurance liability on all outstanding insurances—including premium reductions and annuities . . . . .	\$22,118,504.00
Bonds and debentures . . . . .	11,440,831.34	Death claims advised but not yet paid including all claims reported to date, and reserve held for unreported claims . . . . .	294,038.06
Stocks . . . . .	1,172,921.60	Endowment claims . . . . .	17,134.38
Real estate, including Company's buildings at Toronto and Winnipeg . . . . .	2,250,071.70	Payments under supplementary contracts . . . . .	122.20
Loans on Company's policies . . . . .	3,039,398.26	Reserve for taxes payable in 1920 . . . . .	42,500.00
Sundry items . . . . .	2,343.08	Profits to policyholders due and unpaid . . . . .	72,452.60
Cash in banks and at head office . . . . .	412,319.05	Profits allotted to deferred dividend policies issued since 1911 . . . . .	242,175.05
	\$23,490,894.04	Capital stock paid up . . . . .	100,000.00
Less current accounts . . . . .	24,438.50	Premiums and interest paid in advance . . . . .	18,822.11
		General expenses . . . . .	4,369.71
Net invested assets as per cash statements . . . . .	23,466,455.54	Cash surplus above all liabilities, including investment reserve fund of \$339,062.58 . . . . .	1,737,386.67
Interest and rents due and accrued . . . . .	548,141.14		
Net outstanding and deferred premiums, reserve thereon included in the liabilities . . . . .	633,308.10		
	\$24,647,904.78		\$24,647,904.78

Audited and found correct: { A. C. NEFF, F.C.A., } Auditors. J. K. MACDONALD, President.  
 { R. F. SPENCE, F.C.A. (Can.), }

## INSURANCE ACCOUNT

Insurance written and revived . . . . . \$31,268,527 Insurance at Risk . . . . . \$112,481,374

## OFFICERS AND DIRECTORS

<p><i>Vice-President,</i> SIR EDMUND B. OSLER.</p> <p>Thos. J. Clark, Esq. Lt.-Col. The Hon. Frederic Nicholls. John Macdonald, Esq. Lt.-Col. J. F. Michie.</p> <p><i>General Manager:</i> CHARLES S. MACDONALD.</p> <p><i>General Manager of Agencies,</i> J. TOWER BOYD.</p>	<p><i>President,</i> J. K. MACDONALD, Esq.</p> <p>Col. Albert E. Gooderham. John Firstbrook, Esq. Peleg Howland, Esq. James E. Ganong, Esq. Wilmot L. Matthews, Esq.</p> <p><i>Medical Director,</i> A. JUKES JOHNSON, M.D., M.R.C.S. (Eng.) <i>Actuary,</i> V. R. SMITH, A.A.S., A.I.A.</p>	<p><i>Vice-President,</i> JOSEPH HENDERSON, Esq.</p> <p><i>Secretary,</i> J. A. MACDONALD.</p>
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**NATIONAL LIFE ASSURANCE COMPANY**

The following appointments are announced:—

Mr. R. I. Clancy, Western Branch Manager for The National Life Assurance Company of Canada during the past eight years, has just been appointed resident director for that company. Mr. Clancey will have supervision of the Provinces of Manitoba and Saskatchewan for The National Life, with headquarters at 305 Union Trust Bldg., Winnipeg. The National Life has just completed the most outstanding and successful year in its history, and the two provinces, under Mr. Clancey's aggressive management, will no doubt produce a still greater volume of business for this well known company.

Mr. R. M. Huestis, Superintendent of Agencies for The National Life Assurance Company of Canada at Winnipeg for the past ten years, has just been appointed General Manager of Agencies for that Company, with headquarters at the head office of the company. Under Mr. Huestis' direction the western business of The National Life has shown steady and consistent growth, and his promotion will be noted with pleasure by his many friends in this city.

**PROSPECTS OF CONTINUATION OF BOOM IN LIFE INSURANCE**

There seems every prospect that the causes of the larger demand for insurance protection during the past year will continue during 1920. Business conditions of the country point to a continuance of the writing of large business at least for another twelve months, notwithstanding the large volume of business written during 1919 in proportion to the population of Canada. It may be said, however, that such results will depend largely on the

efforts of agents, and efficient methods of the companies. The present situation, however, cannot last for ever, and sooner or later there will be a tightening up of the purse strings. From reports received from various companies it is satisfactory to note that besides the large increase in new business during 1919, the old has been well maintained, so that the net gain in insurance in force will be a record not only in volume but in percentage.

**FIRE COMPANIES' EXPERIENCE BY PROVINCES**

In 1916 the Dominion Insurance Department inaugurated the practise of collecting the experience of the fire companies in Canada by provinces. The basis taken was net premiums written (licensed re-insurance being deducted) and net losses incurred. Taking these statistics, which are now available, for three years, we have worked out the subjoined tables, showing the experience of the different classes of companies in the various provinces during 1918, the last year for which the figures are at present available, and of all the companies for the three years.

While these statistics at present cover only a limited period of time, they are distinctly interesting as indicating the trend of the business during recent years. It is seen, for instance, that in Ontario, the most important province in Canada from the fire underwriters' point of view, the three years' loss ratio of the companies amounts to 65½ per cent., a figure which does not suggest any important amount of profits. With the rise in expenses in recent years, it is probable enough, indeed, that ends do not meet for these three years, so far as the Ontario business of the companies is concerned. Again, it may be noticed that while the

**PROGRESS**

—no longer "marches" Nowadays it takes an express train.

Success in insurance is simply keeping up with **PROGRESS**.

The **FIDELITY-PHENIX** through its great strength, its service to agents and policyholders, its departments of business development, its educational advertising, its constant search of new ideas, and better methods—is the very locomotive of **PROGRESS**

**GET COUPLED WITH THE FIDELITY-PHENIX—IT PAYS**

**FIDELITY PHENIX FIRE INSURANCE COMPANY**  
OF NEW YORK.

HENRY EVANS, President.

**FIRE - HAIL - TORNADO - PROFITS - USE AND OCCUPANCY**  
CANADIAN HEAD OFFICE: 17 ST. JOHN STREET, MONTREAL.

W. E. BALDWIN, Manager

GEO. W. PACAUD, Montreal General Agent, 80 St. Frs. Xavier Street.

1918 experience of the fire companies in the Maritime Provinces was favorable, the figures for the three years are no better than the average, and in the case of Prince Edward Island are, in fact, very bad indeed. The results of a conflagration at Summerside in December, 1916, persist, and with the limited premium income available for the Island Province, it will probably be several years before the average ratio gets down to a normal figure. As fire underwriters are well aware, the favorable experience of 1918 in the Maritime Provinces was followed by a bad experience in 1919, and this will doubtless be reflected in a larger percentage of loss value statistics covering four years are available.

There are some curious fluctuations in the 1918 experience of the companies by classes. In comparison with the others, the foreign companies have particularly heavy loss ratios for that year in Ontario, Manitoba and Saskatchewan, while the Canadian companies make an abnormally poor showing in New Brunswick. While there are bound to be some differences in the experiences of the companies, such wide divergences from the normal as those noted suggest poor underwriting judgment in certain cases, and possibly a "letting-down" by local representatives.

The utility of these statistics will increase with time, and in the course of a few years there should be available a very valuable body of information regarding the expansion of the business in the various provinces, the provincial distribution of premium income, and the loss experience by provinces.

The attached tables show the 1918 experience of the different classes of companies operating in Canada under Dominion license, and the other table the combined experience of all companies in 1918, and for three years.

Canadian Companies.

	Net Premiums Written, 1918	Net Losses Incurred, 1918	% Losses to Premiums
Alberta . . . . .	\$577,012	\$245,464	42.6
British Columbia . . . . .	619,954	184,868	29.8
Manitoba . . . . .	657,618	359,351	54.6
New Brunswick . . . . .	289,814	171,918	59.3
Nova Scotia . . . . .	274,822	91,798	33.4
Ontario . . . . .	2,765,475	1,562,768	56.5
Prince Edward Island . . . . .	30,877	5,472	17.7
Quebec . . . . .	1,446,260	728,956	50.4
Saskatchewan . . . . .	786,638	383,897	48.8
Yukon . . . . .	486	.....	.....
Totals and Average	7,448,956	3,734,492	50.1

British Companies.

Alberta . . . . .	\$1,224,656	\$511,490	41.8
British Columbia . . . . .	1,884,117	516,955	27.4
Manitoba . . . . .	1,335,049	811,611	60.9
New Brunswick . . . . .	773,666	309,765	40.0
Nova Scotia . . . . .	663,055	211,046	31.8
Ontario . . . . .	6,773,808	3,870,225	57.1
Prince Edward Island . . . . .	101,621	21,262	11.1
Quebec . . . . .	4,618,540	2,454,055	53.4
Saskatchewan . . . . .	1,416,935	586,698	41.4
Yukon . . . . .	3,098	146	.....
Totals and averages	18,794,545	9,293,253	49.0

Foreign Companies.

Alberta . . . . .	\$945,378	\$469,639	49.6
British Columbia . . . . .	1,643,831	533,737	32.4
Manitoba . . . . .	1,056,413	730,931	69.2
New Brunswick . . . . .	620,488	240,544	38.8
Nova Scotia . . . . .	720,115	168,060	23.3
Ontario . . . . .	3,473,136	2,305,038	66.4
Prince Edward Island . . . . .	50,346	10,849	21.5
Quebec . . . . .	2,454,099	1,306,007	53.2
Saskatchewan . . . . .	916,453	549,989	60.0
Yukon . . . . .	1,395	146	10.4
Totals and Averages	11,882,654	6,314,910	53.1

FIRE COMPANIES' EXPERIENCE BY PROVINCES, 1916-1918

	Premiums Written 1918	Losses Incurred 1918	% Losses to Premiums 1918	Premiums Written 1916-1918	Losses Incurred 1916-1918	% Losses to Premiums 1916-1918
Alberta . . . . .	\$2,748,046	\$1,226,593	44.6	\$7,267,612	\$3,039,666	41.8
British Columbia . . . . .	4,147,902	1,235,560	29.8	10,543,961	3,415,392	32.4
Manitoba . . . . .	3,049,080	1,901,893	62.4	8,499,393	4,872,254	57.3
New Brunswick . . . . .	1,683,968	722,227	42.9	4,423,778	2,353,230	53.2
Nova Scotia . . . . .	1,657,992	470,904	28.4	4,343,968	2,343,507	54.0
Ontario . . . . .	13,012,419	7,738,031	59.4	34,037,400	22,304,133	65.5
Prince Edward Island	182,844	37,583	20.6	455,940	361,079	79.2
Quebec . . . . .	8,518,890	4,489,018	52.7	23,244,984	12,543,669	53.9
Saskatchewan . . . . .	3,120,075	1,520,584	48.7	8,123,260	3,634,552	44.7
Yukon . . . . .	4,979	292	5.9	11,424	495	4.3
Floater Premiums						
Undivided . . . . .	58,784	41,945	7.0	135,384	.....	.....
Totals and Averages . . . . .	38,184,939	19,383,730	50.8	101,086,101	54,909,022	54.3



**FIRE                      CASUALTY**

# The Northern Assurance Co. Limited

Of England

ACCUMULATED FUNDS, 1918 . \$75,229,000.00  
including Paid up Capital of \$4,010,100.00

Head Office for Canada: Lewis Building, 17 St. John Street, Montreal

ALEX. HURRY, Manager Casualty Department

G. E. MOBERLY, Manager



## RAILWAY PASSENGERS ASSURANCE CO.

OF LONDON ENGLAND

DEPARTMENTS:

ACCIDENT, HEALTH, EMPLOYERS' AND PUBLIC  
LIABILITY, MOTOR CAR, ELEVATOR, TEAMS, PLATE  
GLASS, BURGLARY, AND FIDELITY BONDING

Head Office for Canada and Newfoundland . . . TORONTO

F. H. RUSSELL, General Manager

## THE ST. PAUL FIRE AND MARINE INSURANCE COMPANY

INCORPORATED 1866

REPRESENTED IN TORONTO BY

ASSETS OVER \$11,000,000

**McADAM, SHERRITT & COMPANY**

Excelsior Life Building

General Agents

26 Toronto Street

## BRITISH TRADERS' INSURANCE COMPANY, LIMITED

Head Office: HONG KONG

ESTABLISHED 1863

Head Office for Canada: TORONTO

### FIRE & MARINE INSURANCE

LOSSES PAID SINCE ORGANIZATION OVER \$50,000,000

JOHNSON-JENNINGS, Inc., General Agents,  
MONTREAL

Manager for Canada, C. E. DRAYTON

## THE STRATHCONA FIRE INSURANCE COMPANY

HEAD OFFICE: MONTREAL,

90 ST. JAMES ST.

The Strathcona was founded in 1908, and has earned a reputation for solid strength, fair dealing and reasonable rates.

"To Such Ideals There is An Assured  
Future."

### PUBLIC FIRE ALARM SYSTEMS

The extent of any fire in a protected community depends in large measure upon the promptness with which the fire-extinguishing appliances are brought into operation. The fire alarm system of a city or town ought, therefore, to be as nearly perfect as money and skill can make it. A deficient fire alarm system constitutes a general hazard. It may be tolerated when re-construction would involve a heavy outlay, but a community is dealing with the whole question of fire protection from the wrong end when extinguishing apparatus is purchased at the expense of the alarm system. Three minutes after a fire has broken out a pail of water would usually be sufficient to subdue it. With ten minutes' uninterrupted start, a fire may need a quarter of a million dollars worth of apparatus and an army of men before it can be controlled. An obsolete fire alarm system is the crudest form of economy.

### WINTER FIRE PROTECTION

Winter fires in barns, stables or outhouses are usually caused by the knocking over or explosion of kerosene lamps or lanterns. Keep a few pails of dry sand on hand. Dry sand will not freeze. In the incipient stages of an oil fire, sand will smother, whereas water will spread it.

### AUTOMOBILE LIABILITY

The Weekly Underwriter says:—

As noted in our news columns, the proposal for an unlimited automobile liability policy is lying dormant. Many underwriters regard it with apprehension. These "devil wagons" are sometimes capable of inflicting damage that is undreamed of in the ordinary course of events. One machine smashed a fire hydrant and flooded a basement full of a stock of silk goods, and everyone knows what values were involved there. The Travelers recently printed a picture of a whole row of store fronts that had been caved in by a rampageous motor truck. Every time we swim through the pedestrian crush on Fifth Avenue or battle in the commuters' rush across West Street, night and morning, we marvel that so few accidents occur. A wild machine might make terrific havoc

### CANADIAN FIRE RECORD

**Fire at Toronto.**—On the 26th instant a fire broke out in the machine shops of the W. & J. G. Greery Co., Ltd., Church Street. Loss about \$50,000.

**Fire Near Thorold, Ont.**—On the 26th instant the large frame boarding house of the Beaver Board Company, near Thorold, was destroyed by fire. Loss about \$10,000; partly covered.

**Fire at Stouffville.**—On the 26th instant a fire damaged the Presbyterian Church. Loss about \$7,500.

**Fire at Southan, N.B.**—On the 19th instant a fire destroyed the Minnesota Grain Company's elevator. Loss about \$30,000.

**Fire at Halifax, N.S.**—On the 20th instant a fire broke out in the premises of the Manhattan Produce Co. on Brunswick Street.

**Fire at Windsor, Ont.**—On the 18th instant a fire destroyed three dwellings and contents, Nos. 189, 191 and 193 Wellington Avenue. Loss \$7,000.

**Fire at Montreal.**—By the fire which occurred on the 24th instant at 308-310 Craig Street, the following companies are interested: On building, Union of Canton, \$2,500; Scottish Union, \$2,500; British Crown, \$2,500; Gt. American, \$2,500; total, \$10,000, loss about \$6,000. On Daoust, Lalonde & Co. stock, boots and shoes: Sun, \$2,500; Home, \$2,500; National of Paris, \$2,000; Continental, \$2,500; Fire Insurance Co. of Canada, \$2,500; Guardian, \$2,500; North West, \$2,500; total, \$17,000; loss about 80 per cent. On Victoria Rubber Co. stock: Northern, \$2,000; Yorkshire, \$2,000; Strathcona, \$1,200; Guardian, \$2,000; total, \$7,200; loss about 80 per cent. On Commercial Printers' stock and machinery: Union of Canton, \$1,900; loss nearly total.

**Fire at Calgary.**—By the fire which occurred on the 18th instant in the Empire and Grand Central Hotels and three stores, the following companies are interested: On Empire Hotel and contents: British Crown, \$3,500; New York Und., \$4,000; British America, \$2,500; Western, \$3,500; Norwich Union, \$4,000; Law Union, \$3,500; General of Perth, \$6,000; Union of Canton, \$5,000; State of Penn., \$5,000; Glens Falls, \$5,000; Guardian, \$8,000; Atlas, \$5,000; North West, \$8,000; total, \$63,000; loss total. Calgary Brewing & Malting Co., on stock, Liv. Manitoba, \$11,500; Delaware, \$10,000; National Union, \$10,000; Canadian Fire, \$2,500; total, \$34,000; loss total. Calgary Brewing & Malting Co., Ltd., on building and store: Liv. Manitoba, \$750; General of Perth, \$750; total, \$1,500; loss total. N. Y. Rapaport Jewelry Store: Alliance, \$1,000; London Guarantee, \$2,000; total, \$3,000; loss total. Calgary Drug Store, stock; Dominion Fire, \$2,500; loss total; M. Chettar, men's furnishings: Globe & Rutgers, \$1,000; Quebec, \$1,000; General of Perth, \$1,000; total, \$3,000; loss total. Philip Silver & Confectionery Store, Continental of Winnipeg, \$1,000; loss total. Two other small losses totalling \$1,200.

**"The Oldest Life Company in America"**

"Mutual Life"—known in every household. Unexcelled policies and service, notable financial strength, co-operation with agencies. Life Insurance at its best!—the Agent's desire and ideal.

For terms to producing Agents address

**The Mutual Life Insurance Company**  
OF NEW YORK

34 Nassau Street, New York City

**ATLAS**  
**ASSURANCE COMPANY LIMITED**

Founded in the Reign of George III

Subscribed Capital - - - \$ 11,000,000  
Capital Paid Up - - - - - 1,320,000  
Additional Funds - - - - - 25,198,205

The Company enjoys the highest reputation for prompt and liberal settlement of claims and will be glad to receive applications for agencies from gentlemen in a position to introduce business.

Head Office for Canada:  
**260 St. James St., MONTREAL**  
MATTHEW C. HINSHAW, Branch Manager

**GENERAL**  
**FIRE AND LIFE**  
**ASSURANCE CORPORATION LIMITED**  
OF PERTH, SCOTLAND.

Total security to Policyholders now exceed - \$12,500,000.

PELEG HOWLAND Esq.  
Chairman Advisory Board.

T. H. HALL JUDSON G. LEE  
Manager for Canada. General Agent Montreal.

Established 1886

**Queensland Insurance Co. Limited**  
of Sydney, N. S. W.

Capital Paid Up \$1,750,000 Assets \$4,015,811

Agents Wanted in Unrepresented Districts.


Managers for Canada:  
**Montreal Agencies Limited, Montreal**

**THE**  
**London Assurance**  
**CORPORATION**  
OF ENGLAND.

INCORPORATED BY ROYAL CHARTER A. D. 1790

CAPITAL PAID UP - - - - - \$ 2,741,875  
TOTAL ASSETS EXCEED - - - - - 42,500,000

Head Office for Canada - MONTREAL  
W. KENNEDY, W. B. COLLEY, Joint Managers.



Assets:  
**\$30,389,461.55**

Surplus:  
**\$8,824,000.31**

Canadian Head Office:  
**MONTREAL.**  
J. W. BENNIE, Manager

**Contract Bonds**

**CONTRACTORS—BUILDERS.**

Municipalities exact of Road Builders a deposit or bond as guarantee that the work will be executed as per contract, and completed within the specified time. Proprietors of buildings require the same guarantee of contractors. The Provident Assurance Company, in consideration of a slight premium guarantees that the work undertaken shall be properly executed and finished inside of the time limit, thus protecting the owner against any loss and enabling the Contractor to use to better advantage the money which he would otherwise have to deposit as a guarantee.

**The Provident Assurance Company**  
189 St. James Street, Montreal. Tel. Main 1626-7.  
J. C. Gagne, Managing Director.

**L'UNION**  
**FIRE INSURANCE COMPANY, Limited**  
Established 1828 Head Office: PARIS, France.

Capital fully subscribed. . . \$2,000,000.00  
25 p.c. paid-up

Fire and General Reserve Funds 6,792,000.00  
Available Balance from Profit and Loss Account. . . . . 118,405.00  
Net Premiums in 1918. . . . . 7,105,053.00  
Total Losses paid to 31 Dec., 1918. . . . . 108,718,000.00

Canadian Branch:  
**LEWIS BUILDING, 17 St. John St., Montreal**  
Manager for Canada: MAURICE FERRAND

# Fire Insurance in Canada During 1919.

By C. S. WAINWRIGHT

While 1919 will go down into history as "Peace Year," following the termination of the Great War, it has been anything but a year of peace in industry, in business or in politics; on the contrary, it has, all over the world, been a year of "riots, strikes and civil commotions." Notwithstanding Canada's share of these adverse conditions it has been a year of great prosperity throughout the Dominion, that is, if a general increase in almost all classes of business (due to advances in values of stocks, building materials, etc.), as well as in bank deposits, bank clearings, etc., accompanied by vast expenditures of money by individuals, by municipalities and by governments, can be taken as a criterion of prosperity. The discontinuance of numerous plants formerly engaged in the manufacture of munitions of warfare and the existence of other post-war conditions do not seem to have had any general adverse effect. As a matter of fact, a large number of erstwhile munition plants are now being utilized for the manufacture of implements and commodities appropriate to times of peace.

On the whole, it may be said that no single event of outstanding significance or importance to the fire insurance business has occurred during the year—that is to say, nothing unusual has happened to cause any marked change in the methods of conducting the business. This is said, however, with the qualification that hardly a day comes but brings with it some new aspect or phase of the business to be dealt with by fire insurance men. It is only after a retrospective glance over a few years that one remembers and realizes the number and character of these frequently occurring changes, affecting and altering as they do the ways and methods of conducting the business.

### YEAR'S "FIRE-WASTE."

It is pleasing to be able to record that no serious conflagration occurred during 1919. The value of the property destroyed in Canada during the eleven months ending 30th November is estimated at \$21,000,000, so that it is altogether likely that the "fire-waste" for 1919 will approximate \$25,000,000, as compared with \$32,000,000 for 1918, and \$20,000,000 for each of the years 1917 and 1916.

### LARGE FIRES DURING THE YEAR.

The following is a list of some of the largest fires occurring during the year (the figures given being newspaper estimates):

### JANUARY

Portage la Prairie, Man., Grain Elevator	\$ 400,000
Fort William, Ont., Grain Elevator	250,000
Halifax, N.S., Business Block (Roy Bldg.)	250,000
Montreal, P.Q., Cadillac Motors Work-shops	500,000
Montreal, P.Q., Motor Warehouse, also Hudson's Bay Company's Warehouse	1,000,000
Chicoutimi, P.Q., Roman Catholic Ch.	550,000
Vancouver, B.C., Construction Co's Bldg.	250,000

### MARCH

Montreal, P.Q., Sohmer Recreation Park	500,000
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### JUNE

Cross Point, P.Q., Lumber (opposite Campbellton, N.B.)	500,000
Saskatoon, Sask., Quaker Oats Plant	500,000
Quebec, P.Q., Storehouse for Stoves	500,000

### AUGUST

Port Colborne, Ont., Grain Elevator	1,500,000
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### SEPTEMBER

Oromocto, N.B., Lumber Yard Mills, etc.	250,000
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### NOVEMBER

Vancouver, B.C., B.C. Fir & Cedar Lumber Co's Plant and 3,000,000 ft. lumber	250,000
Trois Pistoles, P.Q., Saw Mill, Lumber, etc.	800,000
Montreal, P.Q., Laval University	400,000

### RESULTS OF YEAR'S BUSINESS.

It is altogether likely that the year will not be an unsatisfactory one for fire insurance companies generally. There will no doubt be a considerable increase over the previous year in the total amount received by them for fire insurance premiums, chiefly due to increased values, etc. In addition they have derived a considerable income from the various "side lines" that are now being written by most fire companies.

### CLASSES FOR WHICH COMPANIES MAY BE LICENSED.

In this connection it is interesting to note that—whereas the Dominion Insurance Act of 1910 permitted fire insurance companies to transact only five of the following classes of insurance, viz.: Fire, explosion, tornado, inland transportation, sprinkler leakage, hail and weather insurance—under the present Act (1917) the Superintendent of Insurance may, upon the requisite deposits being made, license a fire company to transact ten of the following classes, viz.: Fire, explosion, tornado, inland transportation, sprinkler leakage, hail and weather insurance, automobile, bond, burglary, accident, credit, guarantee, plate glass, sickness and steam

boiler insurance. A fire insurance company, however, cannot also transact life insurance.

RECENT GROWTH OF CANADIAN PREMIUMS.

There has been a remarkable growth since 1904 in the (net) premium incomes of the fire insurance companies licensed by the Dominion Government, as shown below:—

Canadian	1904	1914	1918
Companies . . .	\$2,681,274	\$5,016,654	\$5,570,095
British			
Companies . . .	8,343,664	13,710,908	18,658,712
American and			
French . . . . .	2,144,941	8,771,599	11,725,601
	<hr/>	<hr/>	<hr/>
	\$13,160,879	\$27,499,161	\$35,954,408

UNLICENSED INSURANCE

There has also, one regrets to note, been a considerable increase in the amount of insurance placed outside of Canada in companies not licensed to do business in Canada. This business amounted to \$318,763,720 (in amounts insured) during 1918 (the latest figures available), as compared with \$283,423,680 in 1917. If the average rate paid to the fire companies in Canada for 1918 (namely, \$1.06) could properly be used as a basis upon which to estimate the premiums upon this unlicensed insurance (in so far as it has been reported to the Dominion Government) it would in 1919 reach no less a sum than \$3,378,895.. Up to date failure has attended all efforts to make these outside companies bear a fair share of the cost of running the country which in all fairness they should do—particularly as they escape paying anything for office rents, salaries, etc., in the Dominion.

INCREASE IN LICENSED COMPANIES.

The following table shows the number of fire insurance companies operating in Canada under Dominion licenses at the close of the years 1904, 1914 and 1918, respectively:

	1904	1914	1918
Canadian . . . . .	10	24	28
British . . . . .	19	24	36
Foreign . . . . .	9*	34†	50‡
	<hr/>	<hr/>	<hr/>
	38	82	114

\*U. S. companies only.

†31 U. S. companies, 3 French companies.

‡46 U. S. companies, 4 French companies.

According to the latest official list issued by the Dominion Insurance Department, dated October 4, 1919, the number of companies now operating in Canada under Dominion fire licenses is 128.

Of the 28 companies operating at the end of 1918 and classified above as "Canadian," 11 are owned and operated by British companies. Besides

the companies which operate under Dominion licenses, there is a large number which do business in a single province only under licenses issued by that province.

FIRE INSURANCE RATES STEADILY DECREASING.

In these days when one hears so much about the decrease in the purchasing power of the dollar and the increase in the cost of almost everything purchasable, it is pertinent and enlightening to point out in that in Canada to-day the dollar actually buys more fire insurance protection than it did in pre-war days. This is evidenced by the following table, which shows the rates paid in the Dominion during the last five years for each \$100 of amount insured:

1914	1915	1916	1917	1918
\$1.17	\$1.16	\$1.09	\$1.07	\$1.06

It is of even greater interest to glance at similar figures for the ten years preceding 1914, viz:

1907	1905	1906	1907	1908
\$1.60	\$1.60	\$1.53	\$\$1.50	\$1.50
1909	1910	1911	1912	1913
\$1.41	\$1.36	\$1.35	\$1.29	\$1.21

While the chief causes contributing to these remarkable reductions in rates have been the improvements that have taken place in building construction, fire brigades, water pressure, etc., and the increases that have been made in the number of sprinkler equipments, etc., it cannot be gainsaid that the present rates are inadequate to provide for the ever-growing expenditures for salaries, clerical and other services, supplies, inspection; and (heaviest advance of all) the increasing taxes imposed by Federal, Provincial and Municipal Governments—and in addition to permit the companies set aside the Reserves which they should be enabled to do to provide for heavy conflagrations. In this connection it may be pointed out that the companies in making up their rates are never able to make any adequate provision for conflagrations. In spite of the comfortable feeling on the part of the citizens of every community that a conflagration will never occur in their midst, the dread of such a disaster is ever present in the mind of the prudent underwriter and must be taken into consideration by him when he gives away a portion of his premiums to his reinsuring companies for the purpose of covering the excess of his own net lines.

THE STRIKE IN WINNIPEG.

The great strike in Winnipeg, which lasted from May 1st to June 25th, caused serious concern and great uneasiness to the fire insurance companies. This strike was participated in by street car men, civic and postal employees, railway men, telegraphers, as well as the building and metal and other trades. It is particularly regrettable to have



to record that the firemen and policemen also joined in it. For six weeks the citizens of Winnipeg lived in what was nothing more nor less than a reign of terror, as the methods adopted by the strike leaders were most despotic and tyrannical, they undertaking amongst other things to regulate and control the distribution of bread, milk, meat, ice, etc. In fact the peril run by the city was even greater than that experienced by Seattle, Buenos Ayres and other cities in this hemisphere in which serious strikes have taken place recently. The trial just concluded in Winnipeg showed that the moderate classes of strikers were led away by the more dangerous ones—the exponents of Bolshevik and Anarchical doctrines. After a month and half of the gravest inconvenience and hardships the strike was defeated. It is not going too far to say that the rest of Canada is under a heavy debt of gratitude to the good citizens of Winnipeg for the victory won by them, as had it not been for their vigorous fight, the result might have been calamitous throughout the entire Dominion. Several serious fires occurred during the strike but excellent work on the part of the volunteer fire brigade, which was composed of inexperienced volunteers, recruited from the general body of citizens, prevented any very heavy loss, although one fire threatened, and nearly effected, the destruction of the Hudson's Bay Company. No praise can be too high in speaking of the remarkably efficient work these volunteer firemen performed under the most adverse conditions. It is not too much to say that it compared most favorably with that of any professional firemen.

#### RIOTS AND STRIKES INSURANCE.

The Winnipeg strike gave a tremendous impetus in that city, as well as at other points in Canada, to the business of insurance against riots, strikes and civil commotions. Only a few of the companies were empowered by their licenses to transact this class of insurance. Others quickly followed their lead and obtained the necessary powers. The net premiums received by the companies after deducting the large amounts returned by them to the assured on the cancellation of the policy upon the expiration of ninety days (when they were cancellable) would not have covered more than a small proportion of the loss that would have had to be paid in Winnipeg had only one or two of the buildings whose owners were *persona non grata* to the strike leaders been destroyed by dynamite. It is no wonder, therefore, that many underwriters and others regarded the business of explosion insurance as written in Winnipeg as being more or less of a wild gamble. Even London Lloyds, the initiators of this class of indemnity, would have none of it at the prices and upon the conditions offered by stock companies on this continent.

#### LEGISLATION.

In Ontario an important change was made in the Insurance Act of that Province by amending it so as to provide that in the case of the cancellation of a policy the tender shall be made by money. Post Office order, postal note or certified cheque payable at par. Previously the Act provided that the tender must be in money only. The change now makes this provision of the Act fair and workable.

No Federal fire insurance laws were passed at the recent session of the Dominion Parliament.

#### INVESTIGATION OF THE CANADIAN FIRE UNDERWRITERS' ASSOCIATION.

The Report of the Commissioner (the Hon. Mr. Justice Masten) appointed by the Ontario Government to inquire into and report upon the rates, practices and methods of fire insurance companies and of the Canadian Fire Underwriters' Association, and also upon the existing laws of Ontario in relation to same was laid before the House during the year. Amongst other things he recommends:

- (a) Supervision of the Underwriters Association to a limited extent by the Province.
- (b) Prohibition of discriminatory rates.
- (c) Power to Superintendent of Insurance to mediate regarding disputes.
- (d) Companies to report annually the results of the various classes of risks.
- (e) Stricter rules regarding issuance of agents' licenses with power to Superintendent to cancel any license, and agents' fees to be graded from \$5 to \$100 each.
- (f) Limitation of Agents' commissions.
- (g) A revision of present Insurance Act (Ontario)

He also reported upon but made no recommendation regarding:

- (1) Tax on unlicensed companies.
- (2) Reciprocal or inter-insurance without deposit.
- (3) An Act respecting individual liability for fire

He advised against the adoption of the following suggestions:

- (1) Uniform policies throughout all the provinces.
- (2) Prohibition of insurance of property in Ontario through agents resident outside of Ontario.

It will be remembered that the Commission was appointed as a result of a complaint that the Canadian Fire Underwriters' Association was "arbitrary, autocratic and unfair" in its methods. It is therefore interesting to know that the Commissioner comments favorably upon the work of the Association, saying, amongst other things:

"I am of the opinion that the operations of the Canadian Fire Underwriters' Association have been and are to the advantage and in the interests of the public, and that such a combination tends strongly to maintain the solvency of the

"companies, to stabilize the rates, to eliminate discrimination and to assist in controlling the expenses of carrying on the business."

The Report advises against the adoption of State compulsory insurance.

#### FOREST FIRES — AIRPLANE PATROLS, ETC.

While insurance against loss of standing timber destroyed by forest fires is not usually covered by fire insurance companies, the menace to adjacent towns from these fires, the effect of the latter upon the cost of building materials, etc., and the economic loss to the country entailed by such fires are matters of considerable interest to them. The loss from these conflagrations year by year is stupendous. No steps thus far taken have been successful in effecting a satisfactory reduction in this waste and nothing should be left undone to bring about better conditions in this respect.

Repeated suggestions to various Government authorities to establish airplane fire patrols received scant consideration when first mooted. It is therefore of interest to learn that the value and practicability of such patrols have already been demonstrated during the year in the Province of Quebec and also in British Columbia. In the latter Province an aviator, happening to be near Cowichan, discovered an incipient forest fire, marked its exact location and reported it to the Forest Ranger, who at once despatched men to the scene. As a result of this prompt action the fire was confined to small proportions. It is of further interest to know that a Government survey is now being made of the British Columbia coast with a view to establishing airplane and seaplane bases in connection with a proposed forestry patrol by air. The Canadian Forestry Association is also taking up the question of using carrier-pigeons.

#### ANOTHER "UNBURNABLE" ELEVATOR DESTROYED.

The destruction of the Dominion Government's grain elevator at Port Colborne, Ont., in August, accompanied by a lamentable loss of life, adds one more to the rapidly growing "loss-list" of elevators described as being "the last word in construction," etc. As usual, the cause of the fire was the explosion of grain dust, and the cause of the explosion seems to have been a choked loft. There was no insurance upon the building as the Dominion Government does not carry fire insurance upon its property. The loss of grain was quite small.

#### IMPORTANT JUDGMENT RE EXPLOSION CLAIM.

The heavy loss in August, 1917, at Dragon, Que., in the explosives factory of Curtis & Harvey, involving claims against fire companies of some \$600,000 will be readily recalled by underwriters. An

important decision was rendered during the year, reversing the former judgment, which latter had held that the fire insurance companies were liable. The assured will appeal to the Privy Council in London and the result will be awaited with the deepest interest, as questions of the highest importance to fire insurance companies regarding their liability for loss by explosion under the Provincial statutory conditions, and also under the particular conditions of the policies of the interested companies, are involved.

#### MUNICIPAL SELF-INSURANCE.

It would seem almost incredible after the experience which such cities as Toronto, Baltimore, San Francisco and Chelsea and others have undergone in recent years that anyone having in his hands the safeguarding of the interests of his fellow-citizens should be so short-sighted as to advocate the sophistical and dangerous principles of municipal fire insurance. Yet from time to time efforts are made to vivify this hardy perennial and during the year advocates of this unsound method of financing have arisen at several points throughout the Dominion. The fallaciousness of the arguments used in support of municipal insurance has been so often exposed that it would be a waste of space to go over them again in an article such as this.

#### METHODIST CHURCH AND SELF-INSURANCE.

The Department of Finance of the Methodist Church in Canada has this year given a great deal of consideration to the advisability of forming either a mutual company or a joint stock company for the purpose of insuring its churches. Such a plan differs to some extent from self-insurance by a city or town as the Church's risks are scattered throughout the Dominion. After going very fully into statistics, which showed very heavy losses on church property in Canada within a recent period, it was decided to drop the plan of forming an insurance company and to endeavor instead to obtain the agencies of regular fire insurance companies. It is not known what success has attended these endeavours.

It is interesting to learn that in the course of the Church's investigations it developed that in the 28 months prior to May, 1919, there were 160 church fires in Ontario, causing losses of \$214,250, of which amount \$158,890 was covered by insurance. Of these 160 fires, 49 were in Anglican churches, 43 in Roman Catholic, 27 in Methodist, and 22 in Presbyterian. In Nova Scotia and New Brunswick equally heavy losses were sustained on church property. All of which reminds fire insurance men that the day has long gone by when insurance on churches was eagerly sought by the companies as being "the cream of the business."